

Message Text

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ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00

CU-02 EB-03 L-01 PRS-01 SAJ-01 RSC-01 /042 W

----- 025820

R 291452Z OCT 74

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 2171

C O N F I D E N T I A L SECTION 1 OF 2 BUDAPEST 3007

LIMDIS

E.O. 11652: N/A

TAGS: PFOR, PINT, HU

SUBJECT: KADAR AGENDA FOR TENTH PARTY CONGRESS

REF: BUDAPEST 2882

1. SUMMARY. KADAR'S SEPT SPEECH TO PARTY SCHOOL NOW AVAILABLE IN FULL, CONTAINS AUTHORITATIVE REVIEW OF INTERNAL ISSUES CURRENTLY FACING HUNGARY. WHILE AGAIN REFLECTING ULTIMATE ORTHODOXY OF KADAR'S OWN COMMUNIST BELIEFS (THOUGH WITH HUNGARIAN CAST), SPEECH WAS PRINCIPALLY IMPORTANT FOR OUTLINING SIX ISSUES AND CONTEXT THOSE ISSUES WILL HAVE IN NEXT PARTY CONGRESS. FULL TEXT CONFIRMS OUR INITIAL REACTIONS (BUDAPEST 2882) THAT FUTURE DEVELOPMENT OF COOPERATIVE OWNERSHIP LIKELY TO BE A MAJOR ISSUE. SPEECH ALSO REVEALS CULTURAL POLICY WILL BE IMPORTANT SUBJECT, BUT IMPLIES THERE WILL BE NO MAJOR ECONOMIC DEVELOPMENTS. KADAR SAYS THERE ARE "NO PARTICULAR PROBLEMS" IN INTERNAL POLITICS NOR WILL BE AT CONGRESS, BUT THAT PREPARATIONS FOR CONGRESS RAISE "MANY IMPORTANT QUESTIONS" IN WHICH THESE ISSUES INCLUDED.

2. WE READ INTO KADAR'S ASIDE THAT "AT PRESENT ONE GENERATION

IS GIVING PLACE TO ANOTHER" (A POST -19 ONE) FURTHER INDICATION THAT NUMBER OF PERSONNEL CHANGES CAN BE EXPECTED AT
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CONGRESS (BUT NOT OF KADAR). SPEECH ALSO REFLECTS KADAR'S

ACUTE CONSCIOUSNESS OF HUNGARIAN REALITIES THAT PARTY MUST FACE, FOR EXAMPLE WHEN HE SAYS POPULATION WILL JUDGE THE PARTY'S RESULTS NOT BY HOW WELL THEY CORRESPOND TO IDEOLOGY BUT BY HOW CONDITIONS OF LIFE IMPROVE AND THE COUNTRY AND SOCIETY DEVELOP.

3. IN FOREIGN POLICY SPEECH PRIMARILY NOTABLE FOR FURTHER ASSAULT ON "MAOISM."

4. SEPTELS CONTAIN ANALYSIS OF HIS FOREIGN POLICY VIEWS AND OF HIS COMMENTS ON CURRENT STATUS OF HUNGARY. THIS ANALYSIS DEALS WITH PARTY CONGRESS PLANS. END SUMMARY.

5. KDDAR CITS FOLLOWING ISSUES TO COME BEFORE NEXT PARTY CONGRESS:

A. QUESTION OF PROPERTY. KADAR SAYS QUESTION MAY HAVE TO BE RAISED HOW THE TWO FORMS OF SOCIALIST PROPERTY (STATE AND COLLECTIVE) WILL DEVELOP IN THE FUTURE. SAYS ISSUE SHOULD BE CLEARLY ANSWERED BY THE "PROGRAM DECLARATION." NOTING MATTER NOW UNDER EXAMINATION, HE CONCLUDES PARTY WILL PROBABLY HAVE TO SAY THAT PROPERTY FORMS SHOULD DEVELOP SO THAT AT LATER STAGE "A MORE DEVELOPED" FORM WILL COME INTO LIFE WHICH COULD BE CALLED "UNIVERSAL (PEOPLE'S) PUBLIC PROPERTY." COMMENT: WHILE ABOLITION OF COLLECTIVES SEEMS MOST UNLIKELY, AND KADAR HIMSELF APPARENTLY IS TALKING ABOUT A FUTURE STAGE, EVEN RAISING THIS ISSUE IN THIS MODIFIED FORM IS LIKELY TO CAUSE SERIOUS INTERNAL DEBATE AND SUBSTANTIAL CONCERN AMONG THE HIGHLY SUCCESSFUL COOPERATIVE FARMS. THIS MAY TURN OUT TO BE MOST IMPORTANT ISSUE BEFORE THE CONGRESS.

B. APPROACH BETWEEN CLASSES. KADAR SAYS ONLY WORKING CLASS AND COOPERATIVE PEASANT CLASS CONTINUE TO EXIST IN HUNGARY, TOGETHER WITH OTHER "STRATA," NOTABLY INTELLECTUALS. SAYS THE TWO CLASSES ARE GETTING CLOSER TO EACH OTHER. QUESTION IS HOW TO PROMOTE THIS, AND HOW TO ELIMINATE TOWN-COUNTRY DIFFERENCES, AND "WHAT IS MOST ESSENTIAL" MANUAL AND INTELLECTUAL DIFFERENCES. COMMENT: THIS ONE SOUNDS LIKE A LOT OF RHETORIC, THOUGH OF IMPORTANCE TO IDEOLOGISTS.

C. PRODUCTION AND DISTRIBUTION QUESTIONS. ON DISTRIBUTION OF INCOME KADAR SAYS "SOCIALIST WAGING" HAS NOT BEEN

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CONSISTENT ENOUGH AND THAT OTHER MEASURES "WHICH MORE RESEMBLE COMMUNIST SOLUTIONS" SHOULD BE TAKEN TO ENSURE ADEQUATE FAMILY LIVING STANDARDS. COMMENT: THIS SOUNDS LIKE SOME LEVELING IN THE GAPS IN INCOME LEVELS. SOME INCREASES TAXES WERE APPLIED THIS YEAR FOR THIS PURPOSE, BUT WE WOULD BE SURPRISED TO SEE ANY MAJOR CHANGE. PARTY AND GOVT OFFICIALS PUBLICLY ENDORSE SUBSTANTIAL DIFFERENTIALS FOR DIFFICULT TYPES OF WORK AND EVEN ALLOW

SUBSTANTIALLY DIFFERENT PAYMENTS BY ENTERPRISES FOR THE
SAME WORK, THOUGH SINCE THIS YEAR AT REDUCED LEVEL.

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ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00

CU-02 EB-03 L-01 PRS-01 SAJ-01 RSC-01 /042 W

----- 026022

R 291452Z OCT 74

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 2172

C O N F I D E N T I A L SECTION 2 OF 2 BUDAPEST 3007

LIMDIS

D. PARTY DEVELOPMENT. KADAR MAKES ONLY A GENERAL STATEMENT
ON THE PARTY, SAYING IT MUST BE IMPROVED IN ACCORDANCE WITH
"THE NEW REQUIREMENTS," AND THAT THE CONGRESS WILL REASSERT
THE LEADING ROLE OF THE WORKING CLASS THROUGHOUT "SOCIALIST"
PERIOD. COMMENT: DIFFICULT TO SAY WHAT THIS MEANS, IF IT
WILL MEAN MUCH AT ALL. SECTION GOES ON TO REAFFIRM THE
IMPORTANCE OF THE "NATIONAL ALLIANCE," I.E. WORKING WITH
THE PEASANT CLASS, INTELLECTUALS AND NON-COMMUNISTS, THUS
REASSERTING BASIS FORM OF CURRENT HUNGARIAN POLITICAL LIFE.
E. DEVELOPMENT OF PRODUCTION AND STANDARD OF LIVING. KADAR
SPEAKS BOTH OF BETTER USE OF HUNGARY'S OWN FORCES AND OF
"SOCIALIST INTEGRATION." IN THIS CONNECTION, KADAR OBSERVES
THAT WHILE THE IDEOLOGICAL QUESTIONS INVOLVED ARE OF
IMPORTANCE TO THE PARTY, "WE KNOW VERY WELL" THAT THE
"BETTER PART" OF THE WORKING MASSES DRAWS THE BALANCE OF
THE PARTY'S WORK ON THE BASIS OF HOW THEIR CONDITIONS OF
LIFE AND THE COUNTRY AND SOCIETY DEVELOP. COMMENT: THERE
IS NO INDICATION OF ANY CHANGE IN ECONOMIC POLICY IN
THIS SECTION. INDEED IT CONFIRMS OUR IMPRESSION THAT
ECONOMIC POLICY--OTHER THAN IN AGRICULTURAL AREA WHERE
COOPERATIVE PROPERTY IS OBVIOUSLY NOW AN ISSUE--WILL NOT
BE CHANGED. THERE UNDOUBTEDLY WILL BE AN EMPHASIS UPON
CLOSER ECONOMIC INTEGRATION WITH THE USSR, A PROCESS
ALREADY UNDER WAY AND REQUIRED BY HUNGARY FOR ENERGY SUPPLY

REASONS AS WELL AS DESIRED BY THE USSR.

F. CULTURAL POLICY. KADAR SAYS THAT "FUNDAMENTAL PROBLEMS
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OF CULTURAL CONSTRUCTION," INCLUDING EDUCATION, WILL HAVE
TO BE DEALT WITH "VERY THOROUGHLY." STRESSES
IMPORTANCE OF DEEPENING SOCIALIST PATRIOTISM AND INTER-
NATIONALISM, SOCIALIST AWARENESS, AND DEVELOPMENT OF
PERSONALITY, SO THAT MORE AND MORE PEOPLE BECOME "SOCIALIST
MEN." CONNECTS THIS WITH GROWING STRENGTH" OF PETTY
BOURGEOIS VIEWS "FROM WHICH OUR SOCIETY MUST BE FREED."
COMMENT: KADAR IS CORRECT IN ASSESSING "PETTY BOURGEOIS"
VIEWS AS HAVING GROWING STRENGTH IN HUNGARY. AS ELSEWHERE
IN EE THERE IS SUBSTANTIAL PARTY CONCERN THIS TREND WILL
BE AUGMENTED BY DETENTE. THIS IS AN AREA WHERE KADAR AND
BREZHNEV AGREED TO MAINTAIN CLOSER COOPERATION. IT IS
INTERESTING THAT IN SPITE OF NEW DECREES, SPLITTING OF
MINISTRY OF CULTURE AND EDUCATION IN TWO, AND A GREAT DEAL
OF TALK, THERE HAS SO FAR BEEN LITTLE CHANGE IN CULTURAL
POLICY IN HUNGARY SINCE LAST CENTRAL COMMITTEE DECISION.
IN CONTRAST TO ECONOMIC AREA WHERE WE NEVER THOUGHT THERE
WOULD BE MUCH CHANGE, EMBASSY HAS NEVERTHELESS CONTINUED
TO FEEL THAT FUTURE CONSERVATIVE DEVELOPMENTS IN CULTURAL
FIELD MIGHT STILL BE IN OFFING. KADAR'S COMMENT GIVES
FURTHER EVIDENCE FOR THAT POSSIBILITY. HUNGARIANS WILLING
TO DISCUSS SUBJECT WITH US (MOST RECENTLY MINISTER OF CULTURE--
BUDAPEST 2900) CONTINUE TO SAY, HOWEVER, THERE WILL BE NO
CHANGE THAT WILL AFFECT EXPANSION OF CULTURAL RELATIONS WITH
US. WE ASSESS THIS AREA OF CONGRESS AS AN IMPORTANT ONE
WHICH WILL KEEP HUNGARY IN LINE WITH USSR IN COMBATTING
WESTERN IDEAS, BUT BY DOING SO THROUGH GREATER IDEOLOGICAL
EMPHASIS ON THEIR OWN PART RATHER THAN THROUGH REVERSAL OF
PRESENTLY GRADUALLY EXPANDING WESTERN CONTACTS. CONTINUED
REFERENCE BY GOH TO DESIRE TO CONCLUDE A CULTURAL CONVEN-
TION WITH US AND THEIR PROCEEDING WITH SUCH AGREEMENTS
WITH OTHERS IS EVIDENCE OF THIS.
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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PARTY LEADERS, SPEECHES
Control Number: n/a
Copy: SINGLE
Draft Date: 29 OCT 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BUDAPE03007
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740308-0121
From: BUDAPEST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741011/aaaaaiwn.tel
Line Count: 210
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: BUDAPEST 2882
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 21 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 MAY 2002 by elyme>; APPROVED <12 MAR 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: KADAR AGENDA FOR TENTH PARTY CONGRESS
TAGS: PFOR, PINT, HU, (KADAR, JANOS)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005